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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 21, 2012

Larry Jensen
Nelco Contractors, Inc
P. O. Box 282
Price, Utah 84051

Subject: Second Review of Notice of Intention to Commence Large Mining Operations, Nelco Contractors, Inc., Colton Limestone Quarry, M/049/0079, Utah County, Utah

Dear Mr. Jensen:

The Division of Oil, Gas and Mining has completed a review of the referenced Notice of Intention to Commence Large Mining Operations for the Colton Limestone Quarry, which was received April 30, 2012. Thank you for using the Division's form, and I hope you found it useful. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using redline and strikeout text. Please include form MR-REV available on the Division's web site. After the notice is determined technically complete, the Division will ask that you submit two clean copies of the complete and corrected plan. Upon final approval of the permit, both copies will be stamped "approved," and one will be returned for your records.

Please submit your response to this review by August 15, 2012

Under Utah law (UCA 40-8-404), the Division is required to consider the effects of the operation on cultural resources. To do this, it is necessary to have some baseline information which was not included with the application. Instead, the Division is in receipt of a letter from the land owner, E. J. Stokes, dated March 15, 2011, saying, "... the Lessor wants to forego any fact Finding survey conducted by any archeological team or individuals"

This letter has been forwarded to the State Historic Preservation Officer (SHPO), and the Division is awaiting a decision whether permitting can proceed without the required cultural resources information.

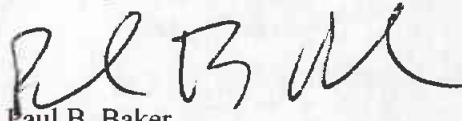
A cultural resources clearance is also a requirement under federal law, and it is possible the lack of a survey will preclude your ability to participate on projects with federal funding. This issue is outside the Division's purview, so you should confirm whether it is correct.



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Larry Jensen
M/049/0079
June 21, 2012

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5261 or Lynn Kunzler, at 801-538-5310. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Minerals Program Manager

PBB: lk: eb

Attachment: Review

cc: Peggy Kelsey, Utah County (peggyk@utah.gov)

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**2nd REVIEW OF NOTICE OF INTENTION
 TO COMMENCE LARGE MINING OPERATIONS
 Nelco Contractors
 Colton Limestone Quarry**

**M/049/0079
 June 20, 2012**

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	2,3,4	The plan discusses the sediment pond and ditch placement. In concept and in practice these structures are likely to provide the sediment and drainage control needed, but the maps need to show how runoff will get to the sediment pond location either with drainage arrows or drainage boundary lines. Sheet 4 shows the ditch drainage, check dams, and the location of the sediment pond during Phase 1. Sheets 2 and 3 show the drainage going through the mine site and no sediment pond and do not show the road ditch taking drainage from above the mined area. The plan says all drainage from the mined area will go to a small sediment pond. The plan does not talk about how the wash pond on Sheet 4 ties into the sediment pond. If it does, please show a connection from the wash pond to the sediment pond and some sort of drainage area boundary of area draining to the sediment pond. The plan mentions a highwall at the north end of the property, but Sheet 4 shows topsoil piles in this area. Please clarify.	tm	
2	Existing Sheet 2	Please state whether the 9.7 acres of reclaimed area will be excluded from the permitted area. If so then no mining operations can take place in the reclaimed area. If mining activities will occur there then that area must be bonded.	whw	
3	Sheet 4 Phase 1 Layout	The map shows that there will be mining activity outside of the Phase I boundaries, such as the sediment pond and the ditches. Those areas that will be disturbed must be included in the Phase I area so that they will be included in the bonded area.	whw	

R647-4-106 - Operation Plan

General Operation Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4		Please clearly show the maximum extent of disturbances at any one time. The Division needs this information to determine the bond. The bond will be calculated on the maximum amount of acreages that will need to be reclaimed at any given time.	whw	

106.5 - Existing soil types, location, amount

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
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Second Review

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M/049/0079

June 18, 2012

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5	Pages 5,6	This section includes a discussion regarding fertilizer use for reclamation. The soil analysis in the plan would indicate a need for some fertilizer and/or other soil amendments. This is acceptable for planning purposes, but please commit to re-sample the soil at the time of reclamation and adjust the actual rate of fertilizer or amendment be adjusted to reflect the actual conditions at that time.	lk	

R647-4-110 - Reclamation Plan**110.5 - Revegetation planting program**

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6		Please discuss the timing of reclamation tasks. Scheduling should be such that seeding is done late fall (October).	lk	
7		Where noxious weeds (musk thistle) have been a problem in the past please discuss a weed control program which includes a monitoring and treatment plan for weeds.	lk	

R647-4-113 - Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
8		Please use the Division's bonding worksheets available on the Internet at www.ogm.utah.gov/minerals/bonding . These worksheets utilize R.S.Means or BlueBook to calculate equipment costs and the Caterpillar Handbook for productivity. An alternative to utilizing the Division's worksheet would be to use the Division's per-acre cost for reclamation. These costs, escalated five years, are \$8,200 for the first acre (including mob/de-mob for one piece of equipment), plus \$4,900 for each additional acre or part thereof, plus \$3,000 for equipment mob/de-mob for each additional piece of equipment. Using this method, the bond for the 23 acres of Phase 1 would be \$119,000.	whw	